

Why You Should Think Twice About a Master's Degree If You Live in These States (See Charts)

A few weeks ago, I had a conversation with a young lady in her early twenties. Having graduated with her bachelor's degree several months before, she was now reflecting on her current job prospects and her future ambitions.

"I'm kind of thinking about going to grad school," she confessed.

Not wanting to dampen her ambition, but also wanting her to make well-informed choices, I kindly cautioned her to weigh her options before charging ahead to get her master's degree. "It all depends on the field you get the degree in, especially if there's a lot of debt involved," I said.

According to research, debt is a huge problem for those who pursue graduate degrees. In 2014, *U.S. News and World Report* [noted](#) that the stories told of students struggling under backbreaking debt are mostly graduate students. And no wonder. As one expert noted, on average, graduate students owe nearly \$60,000 apiece.

But this debt is worth it, right? After all, since a bachelor's degree has become commonplace, a master's degree [helps one stand out](#) from the crowd. All the money forked out for a degree will surely give a decent return on investment in the job world.

But according to a [new study](#) from the American Enterprise Institute, such an assumption may be wishful thinking. As researchers Mark Schneider and Jorge Klor de Alva explain,

there's little public data on the returns or salaries of those with master's degrees.

To remedy this problem and shed more light on the value of a master's degree, Schneider and Klor de Alva dug into data from three states: Colorado, Florida, and Texas.

As expected, their research demonstrated that certain kinds of master's degrees are much more beneficial than others. But what surprised me was the fact that some master's degrees offer a far lower median salary than the average bachelor's – and even certain associate's – degrees!

Take Texas, for instance (Panel C). Many master's degree recipients in basic liberal arts areas make a median salary anywhere from \$36,000 to \$45,000. Bachelor's degree recipients in the state, however, earn a median salary of \$47,500, while associate degree holders are not far behind with a median salary of \$43,300. The states of Colorado and Florida tell a similar story, and in all likelihood, so would many other states if we took time to unearth the data.



To be sure, many higher end master's degrees – especially in various engineering fields – in these same states offer huge returns on the original education investment. But as the researchers make clear, much of this information is not available to students. As a result, they blindly stumble along, trying to advance their career and future income, but digging themselves into a hole by making poorly-informed choices.

Is it time to make more students realize that simply following the crowd to ever greater levels of higher education isn't the cookie cutter equation for success that many have made it out to be?